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PART II—Section 4

Statutory Rules and Orders issued by the Ministry of Defence

MINISTRY OF DEFENCE

New Delhi, the 25th October 1961

S.R.O. 328.—In pursuance of sub-section (7) of section 13 of the Cantonments Act, 1924 (2 of 1924), the Central Government is pleased to notify that a vacancy has occurred in the Cantonment Board, Shahjahanpur, by reason of the acceptance by the Central Government of the resignation of Shri S. S. Gupta, Magistrate, 1st Class.

[No. 19/22/G/L&C/56.]

S.R.O. 329.—In pursuance of sub-section (7) of section 13 of the Cantonments Act, 1924 (2 of 1924), the Central Government is pleased to notify that Shri Chitra Singh Negi, Magistrate, 1st Class, has been nominated as a member of the Cantonment Board, Shahjahanpur, by the District Magistrate, Shahjahanpur, in exercise of the powers conferred under section 13(3) (d) *ibid* vice Shri S. S. Gupta, Magistrate, 1st Class, resigned.

[No. 19/22/G/L&C/56.]

New Delhi, the 26th October 1961

AMBALA CANTONMENT—AMENDMENT—OCTROI SCHEDULE

S.R.O. 330.—In exercise of the powers conferred by section 60 of the Cantonments Act, 1924 (2 of 1924), the Cantonment Board, Ambala, with the previous sanction of the Central Government hereby makes the following amendment in the notification of the Government of India in the late Defence Department No. 2778, dated the 20th November, 1947, imposing Octroi without refunds:—

Amendment

In the said notification, in the Schedule, under the heading "Class VII—Textile fabrics and other manufactured articles of clothes and dress"

- (a) against Serial Number 62, for the figures "2-8-0", in column 3, the figures "3-0-0" shall be substituted;
- (b) against Serial Number 63, in column 3, for the figure "8", the figure "3" shall be substituted;
- (c) against Serial Number 64, in column 3 for the figure "5", the figure "3" shall be substituted.

[No. F. 53/25/G/L&C/60.]

PRITAM SINGH, Under Secy.

New Delhi, the 27th October 1961

S.R.O. 331.—In exercise of the powers conferred by the proviso to Article 309 of the Constitution, and all other powers enabling him in this behalf, the President hereby makes the following Rules, namely:—

Short Title and Definitions

1. **Short title and commencement.**—(a) These rules may be called the General Provident Fund (Defence Services) Rules, 1960.

(b) They shall be deemed to have come into force on the 1st April, 1960.

2. **Definitions.**—(1) In these rules unless the context otherwise requires,—

(a) *Accounts officer* means Controller of Defence Accounts, Eastern Command, Meerut.

(b) Save as otherwise expressly provided *emoluments* means pay, leave salary or subsistence grant as defined in the CSR, and includes dearness pay appropriate to pay, leave salary or subsistence grant, if admissible, and any remuneration of the nature of pay received in respect of foreign service.

(c) *Family* means—

(i) in the case of a male subscriber, the wife or wives and children of a subscriber, and the widow, or widows, and children of a deceased son of the subscriber; provided that if a subscriber proves that his wife has been judicially separated from him or has ceased under the customary law of the community to which she belongs to be entitled to maintenance she shall henceforth be deemed to be no longer a member of the subscriber's family in matters to which these rules relate unless the subscriber subsequently intimates in writing to the Account Officer that she shall continue to be so regarded;

(ii) in the case of a female subscriber, the husband and children of a subscriber, and the widow or widows and children of a deceased son of a subscriber; provided that if a subscriber by notice in writing to the Account Officer expresses her desire to exclude her husband from her family, the husband shall henceforth be deemed to be no longer a member of the subscriber's family in matters to which these rules relate, unless the subscriber subsequently cancels such notice in writing.

NOTE.—*Child* means a legitimate child and includes an adopted child, where adoption is recognised by the personal law governing the subscriber.

(d) *Fund* means the General Provident Fund.

(e) *Leave* means any variety of leave recognised by the Civil Service Regulations or the revised leave Rules 1933.

(f) *Year* means a financial year.

(2) Any other expression used in these rules which is defined either in the Provident Funds Act, 1925 (XIX of 1925), or in the C.S.R. is used in the sense therein defined.

(3) Nothing in these rules shall be deemed to have the effect of terminating the existence of the General Provident Fund as heretofore existing or of constituting any new Fund.

Constitution of the Fund

3. **Constitution of the Fund.**—(1) The Fund shall be maintained in rupees.

(2) All sums paid into the Fund under these rules shall be credited in the books of Government to an account named "The General Provident Fund". Sums of which payment has not been taken within six months after they become payable under these rules shall be transferred to "Deposits" at the end of the year and treated under the ordinary rules relating to deposits.

4. **Conditions of eligibility.**—All temporary Government servants, other than re-employed pensioners, after a continuous service of one year and all permanent Government servants shall subscribe to the Fund:

Provided that no such servant as has been required or permitted to subscribe to a contributory provident fund shall be eligible to join or continue as a subscriber to the Fund, while he retains his right to subscribe to such a fund.

NOTE 1.—Apprentices and Probationers shall be treated as temporary Government servants for the purpose of this rule.

NOTE 2.—A temporary Government servant who completes on year's continuous service during the middle of a month shall subscribe to the Fund from the subsequent month.

Nominations

5. Nominations.—(1) A subscriber shall at the time of joining the Fund, send to the Account Officer, a nomination conferring on one or more persons the right to receive the amount that may stand to his credit in the Fund, in the event of his death, before that amount has become payable or having become payable has not been paid:

Provided that if, at the time of making the nomination, the subscriber has a family, the nomination shall not be in favour of any person or persons other than the members of his family:

Provided further that the nomination made by the subscriber in respect of any other provident fund to which he was subscribing before joining the Fund shall, if the amount to his credit in such other fund has been transferred to his credit in the Fund, be deemed to be a nomination duly made under this rule until he makes a nomination in accordance with this rule.

(2) If a subscriber nominates more than one person under sub-rule (1), he shall specify in the nomination the amount or share payable to each of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the Fund at any time.

(3) Every nomination shall be in such one of the Forms set forth in the First Schedule as is appropriate in the circumstances.

(4) A subscriber may at any time cancel a nomination by sending a notice in writing to the Account Officer. The subscriber shall, along with such notice or separately, send a fresh nomination made in accordance with the provisions of this rule.

(5) A subscriber may provide in a nomination—

(a) in respect of any specified nominee, that in the event of his pre-deceasing the subscriber, the right conferred upon that nominee shall pass to such other person or persons as may be specified in the nomination, provided that such other person or persons shall, if the subscriber has other members of his family, be such other member or members. Where the subscriber confers such a right on more than one person under this clause, he shall specify the amount or share payable to each of such persons in such a manner as to cover the whole of the amount payable to the nominee.

(b) that the nomination shall become invalid in the event of the happening of a contingency specified therein:

Provided that if at the time of making the nomination the subscriber has no family, he shall provide in the nomination that it shall become invalid in the event of his subsequently acquiring a family:

Provided further that if at the time of making the nomination the subscriber has only one member of the family, he shall provide in the nomination that the right conferred upon the alternate nominee under clause (a) shall become invalid in the event of his subsequently acquiring other member or members in his family.

(6) Immediately on the death of a nominee in respect of whom no special provision has been made in the nomination under clause (a) of sub-rule (5) or on the occurrence of any event by reason of which the nomination becomes invalid in pursuance of clause (b) of sub-rule (5) or the proviso thereto, the subscriber shall send to the Account Officer a notice in writing cancelling the nomination, together with a fresh nomination made in accordance with the provisions of this rule.

(7) Every nomination made, and every notice of cancellation given, by a subscriber shall, to the extent that it is valid, take effect on the date on which it is received by the Account Officer.

Subscriber's Accounts

6. Subscriber's account.—An account shall be prepared in the name of each subscriber and shall show the amount of his subscriptions with interest thereon calculated as prescribed in sub-rule (2) of rule 11 as well as advances and withdrawals from the Fund.

Conditions and Rates of Subscriptions

(7) Every nomination made, and every notice of cancellation given, by a the Fund except during the period when he is under suspension:

Provided that a subscriber may, at his option, not subscribe during any period of leave, other, than privilege/earned leave of less than one month or 30 days' duration, as the case may be

Provided further that a subscriber on reinstatement after a period passed under suspension shall be allowed the option of paying in one sum, or in instalments, any sum not exceeding the maximum amount of arrear subscriptions payable for that period.

NOTE.—The holder of a seasonal post in an establishment need not subscribe to the Fund during the period of his unemployment.

(2) The subscriber shall intimate his election not to subscribe during leave in the following manner:—

- (a) if he is an officer who draws his own pay bills, by making no deduction on account of subscription in his first pay bill drawn after proceeding on leave;
- (b) if he is not an officer who draws his own pay bills, by written communication to the head of his office before he proceeds on leave. Failure to make due and timely intimation shall be deemed to constitute an election to subscribe.

The option of a subscriber intimated under this sub-rule shall be final.

(3) A subscriber who has, under rule 32 withdrawn the amount standing to his credit in the Fund shall not subscribe to the Fund after such withdrawal unless he returns to duty.

8. Rates of subscription.—(1) The amount of subscription shall be fixed by the subscriber himself, subject to the following conditions, namely:—

- (a) It shall be expressed in whole rupees.
- (b) It may be any sum, so expressed, not less than 6 per cent of his emoluments and not more than his total emoluments:

Provided that in the case of a subscriber who has previously been subscribing to a Government Contributory Provident Fund at the higher rate of 8-1/3 per cent, it may be any sum, so expressed, not less than 8-1/3 per cent of his emoluments and not more than his total emoluments:

Provided further that in the case of Class IV employees the minimum rate of subscription shall be Rs. 4 a month in the case of those drawing a pay of less than Rs. 75 a month and Rs. 5 a month in the case of others.

- (c) When a Government servant elects to subscribe at the minimum rate of 6 per cent or 8-1/3 per cent, as the case may be, the fraction of a rupee will be rounded to the nearest whole rupee, 50 nP. counting as the next higher rupee.

(2) For the purpose of sub-rule (1) the emoluments of a subscriber shall be—

- (a) in the case of a subscriber who was in Government service on the 31st March of the preceding year, the emoluments to which he was entitled on that date

Provided that—

- (i) if the subscriber was on leave on the said date and elected not to subscribe during such leave or was under suspension on the said date, his emoluments shall be the emoluments to which he was entitled on the first day after his return to duty;
- (ii) if the subscriber was on deputation out of India on the said date or was on leave on the said date and continues to be on leave and has elected to subscribe during such leave, his emoluments shall be the emoluments to which he would have been entitled had he been on duty in India;
- (b) In the case of a subscriber who was not in Government service on the 31st March of the preceding year, the emoluments to which he was entitled on the day he joins the Fund.

(3) The subscriber shall intimate the fixation of the amount of his monthly subscription in each year in the following manner:—

- (a) If he was on duty on the 31st March of the preceding year, by the deduction which he makes in this behalf from his pay bill for that month;
- (b) If he was on leave on the 31st March of the preceding year, and elected not to subscribe during such leave, or was under suspension on that date, by the deduction which he makes in this behalf from his first pay bill after his return to duty;
- (c) If he has entered Government service for the first time during the year, by the deduction which he makes in this behalf, from his pay bill for the month during which he joins the Fund;
- (d) If he was on leave on the 31st March of the preceding year, and continues to be on leave and has elected to subscribe during such leave, by the deduction which he causes to be made in this behalf from his salary bill for that month;
- (e) If he was on foreign service on the 31st March of the preceding year, by the amount credited by him into the treasury on account of subscription for the month of April in the current year.

(4) The amount of subscription so fixed may be enhanced or reduced once at any time during the course of a year:

Provided that when the amount of subscription is so reduced, it shall not be less than the minimum prescribed in sub-rule (1):

Provided further that if a subscriber is on duty for a part of a month and on leave for the remainder of that month and if he has elected not to subscribe during leave, the amount of the subscription payable shall be proportionate to the number of days spent on duty in the month.

9. Transfer to foreign service or deputation out of India.—When a subscriber is transferred to foreign service or sent on deputation out of India, he shall remain subject to the rules of the Fund in the same manner as if he were not so transferred or sent on deputation.

Realisation of subscriptions

10. Realisation of subscription.—(1) When emoluments are drawn from a Government treasury in India or from an authorised office of disbursement outside India, recovery of subscriptions on account of these emoluments and of the principal and interest of advances shall be made from the emoluments themselves.

(2) When emoluments are drawn from any other source the subscriber shall forward his dues monthly to the Account Officer.

(3) If a subscriber fails to subscribe with effect from the date on which he is required to join the Fund or is in default in any month or months during the course of a year otherwise than as provided in rule 7, the total amount due to the Fund on account of arrears of subscription shall, with interest thereon at the rate provided in rule 11, forthwith be paid by the subscriber to the Fund or in default be ordered by the Account Officer to be recovered by deduction from the emoluments of the subscriber by instalments or otherwise, as may be directed by the authority competent to sanction an advance for the grant of which special reasons are required under sub-rule (2) of rule 12:

Provided that the subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

Interest

11. **Interest.**—(1) Subject to the provisions of sub-rule (5), Government shall pay to the credit of the account of a subscriber interest at such rate as may be determined for each year according to the method of calculation prescribed from time to time by the Government of India:

Provided that, if the rate of interest determined for a year is less than 4 per cent, all subscribers to the Fund in the year preceding that for which the rate has for the first time been fixed at less than 4 per cent, shall be allowed interest at 4 per cent:

Provided further that a subscriber who was previously subscribing to any other provident fund of the Central Government and whose subscriptions, together with interest thereon, have been transferred to his credit in this Fund under rule 35, shall also be allowed interest at 4 per cent, if he had been receiving that rate of interest under the rules of such other Fund under a provision similar to that of the first proviso to this rule.

(2) Interest shall be credited with effect from last day in each year in the following manner:—

- (i) on the amount to the credit of a subscriber on the last day of the preceding year, less any sums withdrawn during the current year—interest for twelve months;
- (ii) on sums withdrawn during the current year—interest from the beginning of the current year up to the last day of the month preceding the month of withdrawal;
- (iii) on all sums credited to the subscriber's account after the last day of the preceding year—interest from the date of deposit up to the end of the current year;
- (iv) the total amount of interest shall be rounded to the nearest whole rupee, (fifty naye paise counting as the next higher rupee):

Provided that when the amount standing to the credit of a subscriber has become payable, interest shall thereupon be credited under this rule in respect only of the period from the beginning of the current year or from the date of deposit, as the case may be, up to the date on which the amount standing to the credit of the subscriber became payable.

(3) In this rule, the date of deposit shall in the case of a recovery from emoluments be deemed to be the first day of the month in which it is recovered, and in the case of an amount forwarded by the subscriber, shall be deemed to be the first day of the month of receipt, if it is received by the Account Officer before the fifth day of that month, but if it is received on or after the fifth day of that month, the first day of the next succeeding month:

Provided that where there has been a delay in the drawal of pay or leave salary and allowances of a subscriber and consequently the recovery of his subscription towards the Fund, the interest on such subscriptions shall be payable from the month in which the pay or leave salary of the subscriber was due under the rules, irrespective of the month in which it was actually drawn.

(4) In addition to any amount to be paid under rule 31, 32 or 33 interest thereon up to the end of the month preceding that in which the payment is made, or up to the end of the sixth month after the month in which such amount became payable whichever of these periods be less, shall be payable to the person to whom such amount is to be paid:

Provided that where the Account Officer has intimated to that person (or his agent) a date on which he is prepared to make payment in cash, or has posted a cheque in payment to that person, interest shall be payable only up to the end of the month preceding the date so intimated, or the date of posting the cheque, as the case may be.

(5) Interest shall not be credited to the account of a subscriber if he informs the Account Officer that he does not wish to receive it; but if he subsequently

asks for interest, it shall be credited with effect from the first day of the year in which he asks for it

(6) The interest on amounts which under sub-rule (3) of rule 10, sub-rule (5) of rule 13, sub-rule (3) of rule 20, sub-rule (4) of rule 22, sub-rule (1) of rule 24, sub-rule (1) or (2) of rule 25, rule 31, or rule 32 are replaced to the credit of the subscriber in the Fund, shall be calculated at such rates as may be successively prescribed under sub-rule (1) of this rule and so far as may be in the manner described in this rule

Advances from the Fund

12 Advance from the Fund.—(1) The appropriate sanctioning authority may sanction the payment to any subscriber of an advance, consisting of a sum of whole rupees and not exceeding in amount three months' pay or half the amount standing to his credit in the Fund, whichever is less, for one or more of the following purposes —

- (a) to pay expenses in connection with the illness or a disability, including where necessary, the travelling expenses of the subscriber or any person actually dependent on him;
- (b) to meet the cost of higher education, including where necessary, the travelling expenses of the subscriber or any person actually dependent on him in the following cases, namely —
 - (i) for education outside India for an academic, technical, professional or vocational course beyond the High School stage and
 - (ii) for any medical, engineering or other technical or specialised course in India beyond the High School stage, provided that the course of study is for not less than three years,
- (c) to pay obligatory expenses on a scale appropriate to the status which by customary usage the subscriber has to incur in connection with marriages or other ceremonies of himself or of his children or of any other person actually dependent on him

provided that the condition of actual dependence shall not apply in the case of a son or daughter of the subscriber;

- (d) to meet the cost of legal proceedings instituted by the subscriber for vindicating his position in regard to any allegations made against him in respect of any act done or purporting to be done by him in the discharge of his official duty, the advance in this case being available in addition to any advance admissible for the same purpose from any other Government source

Provided that the advance under this sub-clause shall not be admissible to a subscriber who institutes legal proceedings in any court of law either in respect of any matter unconnected with his official duty or against Government in respect of any condition of service or penalty imposed on him;

- (e) to meet the cost of his defence where the subscriber is prosecuted by Government in any court of law or where the subscriber engages a legal practitioner to defend himself in an enquiry in respect of any alleged official misconduct on his part

(2) An advance shall not, except for special reasons to be recorded in writing be granted to any subscriber in excess of the limit laid down in sub-rule (1) or until repayment of the last instalment of any previous advance

NOTE 1—For the purpose of this rule, pay includes dearness pay, where admissible

NOTE 2—The appropriate sanctioning authority for the purpose of this rule is specified in Appendix 'A' to these rules (To be published later)

13 Recovery of advances.—(1) An advance shall be recovered from the subscriber in such number of equal monthly instalments as the sanctioning authority may direct; but such number shall not be less than twelve unless the subscriber so elects and more than twenty-four. In special cases where the amount of advance exceeds three months' pay of the subscriber under sub-rule (2) of rule

12, the sanctioning authority may fix such number of instalments to be more than twenty-four but in no case more than thirty-six. A subscriber may, at his option, repay more than one instalment in a month. Each instalment shall be a number of whole rupees, the amount of the advance being raised or reduced, if necessary, to admit of the fixation of such instalments.

(2) Recovery shall be made in the manner prescribed in rule 10 for the realisation of subscriptions and shall commence, on the first occasion after the advance is made on which the subscriber draws pay, or remuneration on foreign service, for a full month. Recovery shall not be made, except with the subscriber's consent while he is on leave or in receipt of subsistence grant and may be postponed, on the subscriber's written request, by the sanctioning authority during the recovery of an advance of pay granted to the subscriber.

(3) If more than one advance has been made to a subscriber, each advance shall be treated separately for the purpose of recovery.

(4) (a) After the principal of the advance has been fully repaid, interest shall be paid thereon at the rate of one-fifth per cent of the principal for each month or broken portion of a month during the period between the drawal and complete repayment of the principal:

Provided that subscribers whose deposits in the Fund carry no interest shall not be required to pay into the Fund any additional instalments on account of interest on advances granted to them from the fund.

(b) Interest shall ordinarily be recovered in one instalment in the month after complete repayment of the principal; but if the period referred to in clause (a) exceeds twenty months, interest may if the subscriber so desires, be recovered in two equal monthly instalments. The method of recovery shall be that prescribed in sub-rule (2). Payments shall be rounded to the nearest rupee in the manner prescribed in clause (iv) of sub-rule (2) of rule 11.

(5) If an advance has been granted to a subscriber and drawn by him and the advance is subsequently disallowed before repayment is completed, the whole or balance of the amount withdrawn shall, with interest at the rate provided in rule 11, forthwith be repaid by the subscriber to the Fund, or in default be ordered by the Account Officer to be recovered by deduction from the emoluments of the subscriber in a lump sum or in monthly instalments not exceeding twelve as may be directed by the authority competent to sanction an advance for the grant of which, special reasons are required under sub-rule (2) of rule 12:

Provided that subscribers whose deposits in the Fund carry no interest shall not be required to pay any interest.

(6) Recoveries made under this rule shall be credited as they are made to the subscriber's account in the Fund.

14. **Wrongful use of advance.**—Notwithstanding anything contained in these rules, if the sanctioning authority is satisfied that money drawn as an advance from the Fund under rule 12 has been utilised for a purpose other than that for which sanction was given to the drawal of the money, the amount in question, shall with interest at the rate provided in rule 11 forthwith be repaid by the subscriber to the Fund, or in default, be ordered to be recovered by deduction in one sum from the emoluments of the subscriber even if he be on leave. If the total amount to be repaid be more than half the subscriber's emoluments recoveries shall be made in monthly instalments of moities of his emoluments till the entire amount is repaid by him.

NOTE.—The term 'emoluments' in this rule does not include subsistence grant.

Withdrawals from the Fund

15. **Withdrawal from the Fund.**—(1) Subject to the conditions specified therein withdrawals may be sanctioned by the authorities competent to sanction an advance for special reasons under sub-rule (2) of rule 12, at any time after the completion of twenty-five years of service (including broken period of service if any) of a subscriber or within five years before the date of his retirement on

superannuation, whichever is earlier, from the amount standing to his credit in the Fund, for one or more of the following purposes, namely:—

- (a) Meeting the cost of higher education including where necessary, the travelling expenses of any child of the subscriber in the following cases, namely:—
 - (i) for education outside India for academic, technical, professional or vocational course beyond the High School stage, and
 - (ii) for any medical, engineering or other technical or specialised course in India beyond the High School stage, provided that the course of study is for not less than three years.
- (b) Meeting the expenditure in connection with the marriage of the subscriber's sons or daughters and if he has no daughter, of any other female relation dependent on him.
- (c) Meeting the expenses in connection with the illness, including where necessary, the travelling expenses, of the subscriber or any person actually dependent on him.
- (d) Building or acquiring a suitable house for his residence including the cost of the site or repaying any outstanding amount on account of loan expressly taken for this purpose before the date of receipt of the application for withdrawal but not earlier than twelve months of that date, or reconstructing, or making additions or alterations to a house already owned or acquired by a subscriber.
- (e) Purchasing a house-site or repaying any outstanding amount on account of loan expressly taken for this purpose before the date of receipt of the application for the withdrawal but not earlier than twelve months of that date.
- (f) For constructing a house on a site purchased utilising the sum withdrawn under clause (e):

Provided that a subscriber who has availed himself of an advance under the Scheme of the Ministry of Works, Housing and Supply for the grant of advances for house-building purpose, or has been allowed any assistance in this regard from any other Government source, shall not be eligible for the grant of final withdrawal under clause (d), (e) and (f) except for the express purpose of repayment of any loan taken under the aforesaid scheme.

(2) The actual withdrawal from the Fund shall be made only on receipt of an authorisation from the Account Officer concerned who will arrange this as soon as the formal sanction of the sanctioning authority has been issued.

16. Conditions for withdrawal.—(1) Any sum withdrawn by a subscriber at any one time for one or more of the purposes specified in rule 15 from the amount standing to his credit in the Fund shall not ordinarily exceed one-half of such amount or six months' pay, whichever is less. The sanctioning authority may, however, sanction the withdrawal of an amount in excess of this limit up to 3/4ths of the balance at his credit in the Fund having due regard to (i) the object for which the withdrawal is being made (ii) the status of the subscriber and (iii) the amount to his credit in the Fund.

(2) A subscriber who has been permitted to withdraw money from the Fund under rule 15 shall satisfy the sanctioning authority within a reasonable period as may be specified by that authority that the money has been utilised for the purpose for which it was withdrawn, and if he fails to do so, the whole of the sum so withdrawn, or so much thereof as has not been applied for the purpose for which it was withdrawn shall forthwith be repaid in one lump sum together with interest thereon at the rate determined under rule 11 by the subscriber to the Fund, and in default of such payment, it shall be ordered by the sanctioning authority to be recovered from his emoluments either in a lump sum or in such number of monthly instalments, as may be determined by the President.

(3) Nothing in sub-rule (2) shall be deemed to require a subscriber whose deposits in the Fund carry no interest, to pay any interest on any sum repayable by him under that sub-rule.

Payment towards Insurance Policies and Family Pension Funds.

17. Payment towards Insurance Policies.—Subject to the conditions hereinafter contained in rules 18 to 28:—

- (a) (i) subscriptions to a family pension fund approved in this behalf by the President; or
 - (ii) payments towards a policy of life insurance,
- may, at the option of a subscriber, be substituted in whole or part for subscriptions due to the Fund;
- (b) the amount of subscriptions with interest thereon standing to the credit of a subscriber in the Fund may be withdrawn to meet—
- (i) a payment towards a policy of life insurance;
 - (ii) the purchase of a single payment insurance policy;
 - (iii) the payment of a single premium or subscriptions to a family pension fund approved in this behalf by the President;

Provided that no amount shall be withdrawn (1) before the details of the proposed policy have been submitted to the Account Officer and accepted by him as suitable or (2) to meet any payment or purchase made or effected more than three months before the withdrawal, or (3) in excess of the amount required to meet a premium or subscription actually due for payment within three months of the date of withdrawal:

Provided further that payments towards an educational endowment policy may not be substituted for subscriptions to the Fund and that no amounts may be withdrawn to meet any payment or purchase in respect of such a policy if that policy is due for payment in whole or part before the subscriber's age of normal superannuation:

Provided further that amounts withdrawn shall be rounded to the nearest whole rupee.

18. Number of policies that can be financed from the Fund.—(1) The number of policies in respect of which substitution for subscriptions due to the Fund or withdrawal of subscriptions from the Fund may be permitted under rule 17, shall not exceed four:

Provided that where immediately before the 22nd June, 1953, substitution for subscription due to the Fund or withdrawal of subscriptions from the Fund, was permitted in respect of more than four policies, such substitution or withdrawal shall continue to be permitted in respect of those policies.

(2) The premium for a policy [including any policy referred to in the proviso to sub-rule (1)] in respect of which withdrawal of subscriptions from the Fund may be permitted under rule 17 shall not be payable otherwise than annually.

Explanation.—In computing the maximum number of policies specified in sub-rule (1), policies which have matured or have been converted into paid up policies shall be excluded.

19. Payment of difference between substituted payments and minimum subscriptions.—(1) If the total amount of any subscriptions or payments substituted under clause (a) of rule 17 is less than the amount of the minimum subscription payable to the Fund under sub-rule (1) of rule 8, the difference shall be rounded to the nearest rupee in the manner provided in clause (iv) of sub-rule (2) of rule 11 and paid by the subscriber as a subscription to the Fund.

(2) If the subscriber withdraws any amount standing to his credit in the Fund for any of the purposes specified in clause (b) of rule 17, he shall, subject to his option under clause (a) of that rule, continue to pay to the Fund the subscription payable under rule 8.

20. Reduction of subscription in certain cases.—(1) A subscriber who desires to substitute a subscription or payment under clause (a) of rule 17, may reduce his subscription to the Fund accordingly:

Provided that the subscriber shall—

- (a) intimate to the Account Officer on his pay bill or by letter the fact of, and reason for, the reduction;

- (b) send to the Account Officer, within such period as the Account Officer may require, receipts or certified copies of receipts in order to satisfy the Account Officer that the amount by which the subscription has been reduced was duly applied for the purposes specified in clause (a) of rule 17.

(2) A subscriber who desires to withdraw any amount under clause (b) of rule 17 shall—

- (a) intimate the reason for the withdrawal to the Account Officer by letter;
- (b) make arrangements with the Account Officer for the withdrawal;
- (c) send to the Account Officer, within such period as the Account Officer may require, receipts or certified copies of receipts in order to satisfy the Account Officer, that the amount withdrawn was duly applied for the purposes specified in clause (b) of rule 17.

(3) The Account Officer shall order the recovery of any amount by which subscriptions have been reduced, or of any amount withdrawn, in respect of which he has not been satisfied in the manner required by clause (b) of sub-rule (1) and clause (c) of sub-rule (2), with interest thereon at the rate provided in rule 11 from the emoluments of the subscriber and place it to the credit of the subscriber in the Fund.

21. Government not to make payments to insurer on behalf of subscribers.—

(1) Government shall not make any payments on behalf of subscribers to Insurance Companies nor take steps to keep a policy alive.

(2) A policy to be acceptable under these rules shall be one effected by the subscriber himself on his own life, and shall (unless it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of his wife, or of his wife and children, or any of them) be such as may be legally assigned by the subscriber to the President.

Explanation 1.—A policy on the joint lives of the subscriber and the subscriber's wife or husband shall be deemed to be a policy on the life of the subscriber for the purpose of this sub-rule.

Explanation 2.—A policy which has been assigned to the subscribers' wife shall not be accepted unless either the policy is first re-assigned to the subscriber or the subscriber and his wife both join in an appropriate assignment.

(3) The policy may not be effected for the benefit of any beneficiary other than the wife or husband of the subscriber or the wife or husband and children of the subscriber or any of them:

Provided that subscribers who took out policies under Note 1 of Rule 21(ii) or under clause (b) or (c) of Rule 21A of the Rules in force prior to the 1st April, 1934 shall remain subject to the provisions of those rules in so far as policies so taken out are concerned.

22. Assignment of Policies.—(1) The policy within six months after the first withholding of a subscription or withdrawal from the Fund in respect of the policy; or in the case of an insurance company whose headquarters are outside India, within such further period as the Account Officer, if he is satisfied by the production of the completion certificate (interim receipt), may fix, shall—

- (a) unless it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of the wife of the subscriber, or of his wife and children, or any of them, be assigned to the President as security for the payment of any sum which may become payable to the Fund under rule 27, and delivered to the Account Officer, the assignment being made by endorsement on the policy in Form (1) or Form (2) or Form (3) of the Forms in the Second Schedule according as the policy is on the life of the subscriber or on the joint lives of the subscriber and the subscriber's wife or husband or the policy has previously been assigned to the subscriber's wife;
- (b) if it is a policy effected by a male subscriber which is expressed on the face of it to be for the benefit of the wife of the subscriber or of his wife and children or any of them, be delivered to the Account Officer.

(2) The Account Officer shall satisfy himself by reference to the Insurance Company where possible, that no prior assignment of the policy exists.

(3) Once a policy has been accepted by an Account Officer for the purpose of being financed from the Fund the terms of the policy shall not be altered nor shall the policy be exchanged for another policy without the prior consent of the Account Officer to whom details of the alteration or of the new policy shall be furnished.

(4) If the policy is not assigned and delivered, or delivered, within the said period of six months or such further period as the Account Officer may, under sub-rule (1), have fixed, any amount withheld or withdrawn from the Fund in respect of the policy shall, with interest thereon at the rate provided in rule 11, forthwith be paid or repaid, as the case may be, by the subscriber to the Fund, or, in default be ordered by the Account Officer to be recovered by deduction from the emoluments of the subscriber, by instalments or otherwise, as may be directed by the authority competent to sanction an advance for the grant of which special reasons are required, under sub-rule (2) of rule 12.

(5) Notice of assignment of the policy shall be given by the subscriber to the Insurance Company, and the acknowledgment of the notice by the Insurance Company shall be sent to the Account Officer within three months of the date of assignment.

NOTE 1.—Subscribers are advised to send notice of the assignment to the Insurance Company in duplicate, accompanied in cases in which the notice has to be sent to a company in Great Britain or Ireland, by a remittance of five shillings, which is the fee for the acknowledgment authorised by the Policies of Assurance Act, 1867.

NOTE 2.—Subscribers who proceed to Great Britain or Ireland on quitting the service are advised that under the English Stamp Law assignments or re-assignments are required to be stamped within 30 days of their first arrival in those countries. Otherwise penalty will be incurred under the Stamp Act, and difficulties may arise when the policy matures for payment.

23. Bonus on Policies.—The subscriber shall not during the currency of the policy draw any bonus the drawal of which during such currency is optional under the terms of the policy, and the amount of any bonus which under the terms of the policy the subscriber has no option to refrain from drawing during its currency shall be paid forthwith into the Fund by the subscriber or in default recovered by deduction from his emoluments by instalments or otherwise as may be directed by the authority competent to sanction an advance for the grant of which, special reasons are required under sub-rule (2) of rule 12.

24. Reassignment of Policies.—(1) Save as provided by Rule 28 when the subscriber—

- (a) quits the service; or
- (b) has proceeded on leave preparatory to retirement and applies to the Account Officer for reassignment or return of the policy; or
- (c) while on leave has been permitted to retire or declared by a competent medical authority to be unfit for further service and applies to the Account Officer for reassignment or return of the policy; or
- (d) pays or repays to the Fund the whole of any amount withheld or withdrawn from the Fund for any of the purposes mentioned in sub-clause (ii) of clause (a) of rule 17 and sub-clause (i) and (ii) of clause (b) of rule 17 with interest thereon at the rate provided in rule 11, the Account Officer shall—
 - (i) if the policy has been assigned to the President under rule 22, or under the corresponding rule heretofore in force reassign the policy in Form I in the Third Schedule to the subscriber, or to the subscriber and the joint assured, as the case may be, and make it over to the subscriber together with a signed notice of the reassignment addressed to the Insurance Company;
 - (ii) if the policy has been delivered to him under clause (b) of sub-rule (1) of rule 22, make over the policy to the subscriber:

Provided that, if the subscriber, after proceeding on leave preparatory to retirement, or after being, while on leave, permitted to retire or declared by a competent medical authority to be unfit for further service, returns to duty, any policy so reassigned or made over shall, if it has not matured or been assigned or charged or encumbered in any way, be again assigned to the President and delivered to the Account Officer, or again be delivered to the Account Officer, as

the case may be, in the manner provided in rule 22, and thereupon the provisions of these rules shall, so far as may be, again apply in respect of the policy:

Provided further that, if the policy has matured or been assigned or charged or encumbered in any way, the provisions of sub-rule (4) of rule 22 applicable to a failure to assign and deliver a policy shall apply.

(2) Save as provided by rule 28, when the subscriber dies before quitting the service, the Account Officer shall—

- (i) if the policy has been assigned to the President under rule 22, or under the corresponding rule heretofore in force, reassign the policy in Form II in the Third Schedule to such person as may be legally entitled to receive it, and shall make over the policy to such person together with a signed notice of the reassignment addressed to the Insurance Company;
- (ii) if the policy has been delivered to him under clause (b) of sub-rule (1) of rule 22, make over the policy to the beneficiary, if any, or if there is no beneficiary, to such persons as may be legally entitled to receive it.

25. Procedure on maturity of policies.—(1) If a policy assigned to the President under rule 22 or under the corresponding rule heretofore in force, matures before the subscriber quits the service, or if a policy on the joint lives of a subscriber and the subscriber's wife or husband, assigned under the said rule, or under the corresponding rule heretofore in force, falls due for payment by reason of the death of the subscriber's wife or husband, the Account Officer shall, save as provided by rule 28, proceed as follows:—

- (i) if the amount assured together with the amount of any accrued bonuses is greater than the whole of the amount withheld or withdrawn from the Fund in respect of the policy with interest thereon at the rate provided in rule 11, the Account Officer shall re-assign the policy in the Form in the Fourth Schedule to the subscriber or to the subscriber and the joint assured, as the case may be, and make it over to the subscriber, who shall immediately on receipt of the policy moneys from the Insurance Company pay or repay to the Fund the whole of any amount withheld or withdrawn with interest, and in default, the provisions of rule 29 shall apply as they apply in relation to cases where money withheld or withdrawn from the Fund under clause (a) or clause (b) of rule 17 has been utilised for a purpose other than that for which sanction was given to the withholding or withdrawal.
- (ii) if the amount assured together with the amount of any accrued bonuses is less than the whole of the amount withheld or withdrawn with interest, the Account Officer shall realise the amount assured together with any accrued bonuses and shall place the amount so realised to the credit of the subscriber in the Fund.

(2) Save as provided by rule 28, if a policy delivered to the Account Officer under clause (b) of sub-rule (1) of rule 22 matures before the subscriber quits the service, the Account Officer shall make over the policy to the subscriber:

Provided that if the interest in the policy of the wife of the subscriber, or of his wife and children, or any of them, as expressed on the face of the policy, expires when the policy matures, the subscriber, if the policy moneys are paid to him by the Insurance Company, shall immediately on receipt thereof pay or repay to the Fund either—

- (i) the whole of any amount withheld or withdrawn from the Fund in respect of the policy with interest thereon at the rate provided in rule 11, or
- (ii) an amount equal to the amount assured together with any accrued bonuses

whichever is less, and, in default, the provisions of Rule 29 shall apply as they apply in relation to cases where money withheld or withdrawn from the Fund under clause (a) or clause (b) of rule 17 has been utilised for a purpose other than that for which sanction was given to the withholding or withdrawal.

26. Procedure on cessation of interest of the subscriber in the family pension fund.—If the interest of the subscriber in the family pension fund ceases, in whole or part, from any cause whatsoever, the provident fund account of the subscriber shall forthwith be reimbursed by the amount of the refund secured by the subscriber from the family pension fund, which amount shall, in default of reimbursement, be deducted from the subscriber's emoluments by instalments or otherwise, as may be directed by the authority competent to sanction an advance for the grant of which, special reasons are required under sub-rule (2) of rule 12.

27. Lapse or wrongful assignment of Policies.—If the policy lapses, or is assigned, otherwise than to the President under rule 22, charged or encumbered, the provisions of sub-rule (4) of rule 22 applicable to a failure to assign and deliver a policy shall apply.

28. Duty of Account Officer when he receives notice of assignment, charge or encumbrance of policies.—If, the Account Officer receives notice of—

- (a) an assignment (otherwise than an assignment to the President under rule 22), or
- (b) a charge or encumbrance on, or
- (c) an order of a Court restraining dealings with the policy or any amount realised thereon,

the Account Officer shall not—

- (i) reassign or make over the policy as provided in rule 24, or
- (ii) realise the amount assured by the policy or reassign, or make over the policy, as provided in rule 25,

but shall forthwith refer the matter to the Government.

29. Wrongful use of money withheld or withdrawn.—Notwithstanding anything contained in these rules, if the sanctioning authority is satisfied that money withheld or withdrawn from the Fund under clause (a) or clause (b) of rule 17 has been utilised for a purpose other than that for which sanction was given to the withholding or withdrawal of the money, the amount in question, shall, with interest at the rate provided in rule 11, forthwith be repaid or paid, as the case may be, by the subscriber to the Fund, or in default, be ordered to be recovered by deduction in one sum from the emoluments of the subscriber even if he be on leave. If the total amount to be repaid or paid, as the case may be, be more than half the subscriber's emoluments recoveries shall be made in monthly instalments of moieties of his emoluments till the entire amount is repaid or paid, as the case may be, by him.

NOTE.—The term 'emoluments' in this rule does not include subsistence grant.

30. Restriction of the provisions relating to financing of policies to existing subscribers in respect of existing policies.—The provisions of rules 17 to 29 shall apply only to subscribers who, before the date of publication of these rules, have been substituting in whole or in part, payments towards policies of life insurance for subscriptions to the Fund or making withdrawals from the Fund for such payments:

Provided that such subscribers shall not be permitted to substitute such payments for subscriptions due to the Fund or to withdraw from the Fund for making such payments in respect of any new policy.

Final withdrawal of accumulations in the Fund

31. Final withdrawal of accumulations in the Fund.—When a subscriber quits the service, the amount standing to his credit in the Fund shall become payable to him:

Provided that a subscriber, who has been dismissed from the service and is subsequently reinstated in the service shall, if required to do so by the Government, repay any amount paid to him from the Fund in pursuance of this rule, with interest thereon at the rate provided in rule 11 in the manner provided in the proviso to rule 32. The amount so repaid shall be credited to his account in the Fund.

Explanation.—A subscriber other than one who is appointed on contract or one who has retired from service and is subsequently re-employed, with or without a break in service, shall not be deemed to quit the service, when he is transferred without any break in service to a new post under a State Government or

in another department of the Central Government (in which he is governed by another set of Provident Fund Rules) and without retaining any connection with his former post. In such a case, his subscriptions together with interest thereon shall be transferred—

- (a) to his account in the other Fund in accordance with the rules of that Fund, if the new post in another department of the Central Government, or
- (b) to a new account under the State Government concerned if the new post is under a State Government and the State Government consents, by general or special order, to such transfer of subscriptions and interest.

NOTE.—Transfers shall include cases of resignations from service in order to take up appointment in another Department of the Central Government or under the State Government without any break and with proper permission of the Central Government. In cases where there has been a break in service it shall be limited to the joining time allowed on transfer to a different station.

The same shall hold good in cases of retrenchments followed by immediate employment whether under the same or different Government.

32. Retirement of subscriber.—When a subscriber—

- (a) has proceeded on leave preparatory to retirement, or, if he is employed in a vacation department, on leave preparatory to retirement combined with vacation, or
- (b) while on leave, has been permitted to retire or been declared by a competent medical authority to be unfit for further service,

the amount standing to his credit in the Fund shall, upon application made by him in that behalf of the Account Officer, become payable to the subscriber:

Provided that the subscriber, if he returns to duty, shall, if required to do so by Government, repay to the Fund, for credit to his account, the whole or part of any amount paid to him from the Fund in pursuance of this rule with interest thereon at the rate provided in rule 11 in cash or securities or partly in cash and partly in securities, by instalments or otherwise, by recovery from his emoluments or otherwise, as may be directed by the authority competent to sanction an advance for the grant of which, special reasons are required under sub-rule (2) of rule 12.

If a subscriber is militarised he may either withdraw the amount at his credit or leave it in the Fund. The amount so left in the Fund shall bear interest for not more than one year from the date of militarization and may be withdrawn at any time after that date. If he reverts to a civilian appointment at a later date, under the terms of which he is eligible for the benefits of the Fund, deposits not withdrawn will commence to bear interest from the date on which subscription is renewed.

33. Procedure on death of subscriber.—On the death of a subscriber before the amount standing to his credit has become payable, or where the amount has become payable, before payment has been made:

(i) when the subscriber leaves a family—

- (a) if a nomination made by the subscriber in accordance with the provisions of rule 5 or of the corresponding rule heretofore in force in favour of a member or members of his family subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates shall become payable to his nominee or nominees in the proportion specified in the nomination;
- (b) if no such nomination in favour of a member or members of the family of the subscriber subsists, or if such nomination relates only to a part of the amount standing to his credit in the Fund, the whole amount or the part thereof to which the nomination does not relate, as the case may be, shall, notwithstanding any nomination purporting to be in favour of any person or persons other than a member or members of his family, become payable to the members of his family in equal shares:

Provided that no share shall be payable to—

- (1) sons who have attained majority;
 - (2) sons of a deceased son who have attained majority;
 - (3) married daughters whose husbands are alive;
 - (4) married daughters of a deceased son whose husbands are alive;
- if there is any member of the family other than those specified in clauses (1), (2), (3) and (4):

Provided further, that the widow or widows and the child or children of a deceased son shall receive between them in equal parts only the share which that son would have received if he had survived the subscriber and had been exempted from the provisions of clause (1) of the first proviso.

- (ii) when the subscriber leaves no family, if a nomination made by him in accordance with the provisions of rule 5 or of the corresponding rule heretofore in force in favour of any person or persons subsists, the amount standing to his credit in the Fund or the part thereof to which the nomination relates, shall become payable to his nominee or nominees in the proportion specified in the nomination.

34. Manner of payment of amount in the Fund.—(1) When the amount standing to the credit of a subscriber in the Fund becomes payable, it shall be the duty of the Account Officer to make payment on receipt of a written application in this behalf as provided in sub-rule (3).

(2) If the person to whom, under these rules, any amount or policy is to be paid, assigned, reassigned or delivered, is a lunatic for whose estate a manager has been appointed in this behalf under the Indian Lunacy Act, 1912 the payment or reassignment or delivery shall be made to such manager and not to the lunatic.

(3) Any person who desires to claim payment under this rule shall send a written application in that behalf to the Account Officer. Payment of amounts withdrawn shall be made in India only. The persons to whom the amounts are payable shall make their own arrangements to receive payment in India.

NOTE.—When the amount standing to the credit of a subscriber has become payable under rule 31, 32 or 33, the Account Officer shall authorise prompt payment of that portion of the amount standing to the credit of a subscriber in regard to which there is no dispute or doubt, the balance being adjusted as soon after as may be.

35. Procedure on transfer of a Government servant from one Department to another.—(a) If a Government servant who is a subscriber to any other non-Contributory Provident Fund of the Central Government or of a State Government is permanently transferred to pensionable service in Defence Services in which he is governed by these rules, the amount of subscriptions, together with interest thereon standing to his credit in such other fund on the date of transfer shall be transferred to his credit in the Fund:

Provided that where a subscriber was subscribing to a non-Contributory Provident Fund of a State Government, the consent of that Government shall be obtained.

(b) If a Government servant who is a subscriber to the State Railway Provident Fund or any other Contributory Provident Fund of the Central Government or a State Contributory Provident Fund is permanently transferred to pensionable service in Defence Services in which he is governed by these rules and unless such a subscriber elects to continue to be governed by the rules of such Fund, when such an option is given—

- (i) the amount of subscriptions, with interest thereon, standing to his credit in such contributory provident fund on the date of transfer shall with the consent of the other Government, if any, be transferred to his credit in the Fund;
- (ii) the amount of Government contributions, with interest thereon, standing to his credit in such contributory provident fund shall with the consent of the other Government, if any, be credited to the Defence Revenues; and
- (iii) he shall thereupon be entitled to count towards pension such part of the period during which he subscribed to such contributory provident fund as the President may determine.

NOTE (1).—The provisions of this rule do not apply to a subscriber who has retired from service and is subsequently re-employed with or without a break in service, or to a subscriber who was holding the former appointment on contract.

NOTE (2).—The provisions of this rule shall, however, apply to persons who are appointed without break, whether temporarily or permanently to a post carrying the benefits of these rules after resignation or retrenchment from service, under another Department of Central Government or under the State Government.

36. Transfer of amount to the Contributory Provident Fund (India).—If a subscriber to the Fund is subsequently admitted to the benefits of the Contributory Provident Fund (India), the amount of his subscriptions, together with interest thereon, shall be transferred to the credit of his account in the Contributory Provident Fund (India).

NOTE.—The provisions of this rule do not apply to a subscriber who is appointed on contract or who has retired from service and is subsequently re-employed with or without a break in service in another post carrying contributory provident fund benefits.

37. Relaxation of the provisions of the rules in individual cases.—When the President is satisfied that the operation of any of these rules causes or is likely to cause undue hardship to a subscriber, he may, notwithstanding anything contained in these rules deal with the case of such subscriber in such manner as may appear to him to be just and equitable.

Procedure Rules

38. Number of account to be quoted at the time of payment of subscription.—When paying a subscription in India, either by deduction from emoluments or in cash, a subscriber shall quote the number of his account in the Fund, which shall be communicated to him by the Account Officer. Any change in the number shall similarly be communicated to the subscriber by the Account Officer.

39. Annual statement of account to be supplied to subscriber.—(1) As soon as possible after the close of each year, the Account Officer shall send to each subscriber a statement of his account in the Fund showing the opening balance as on the 1st April of the year, the total amount credited or debited during the year, the total amount of interest credited as on the 31st March of the year and the closing balance on that date. The Account Officer shall attach to the statement of account an enquiry whether the subscriber—

(a) desires to make any alteration in any nomination made under rule 5 or under the corresponding rule heretofore in force;

(b) has acquired a family in cases where the subscriber has made no nomination in favour of a member of his family under the proviso to sub-rule (1) of rule 5.

(2) Subscribers should satisfy themselves as to the correctness of the annual statement, and errors should be brought to the notice of the Account Officer within three months from the date of receipt of the statement.

(3) The Account Officer shall, if required by a subscriber, once, but not more than once, in a year inform the subscriber of the total amount standing to his credit in the Fund at the end of the last month for which his account has been written up.

40. Interpretation.—If any question arises relating to the interpretation of these rules, it shall be referred to the Central Government whose decision thereon shall be final.

41. Repeal.—The General Provident Fund (Defence Services) Rules are hereby repealed.

J. L. CHOPRA,

Deputy Secretary.
27-10-61,

FIRST SCHEDULE [Rule 5 (3)]

Forms of Nomination

I. When the subscriber has a family and wishes to nominate one member thereof.

I hereby nominate the person mentioned below, who is a member of my family as defined in rule 2 of the General Provident Fund (Defence Services) Rules, 1960 to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has not been paid:—

Name and address of nominee	Relationship with subscriber	Age	Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person/persons, if any to whom the right of the nominee shall pass in the event of his predeceasing the subscriber

Dated this day of 19
at

Two witnesses to signature.

Signature of subscriber.

1
2

II. When the subscriber has a family and wishes to nominate more than one member thereof.

I hereby nominate the persons mentioned below, who are members of my family as defined in rule 2 of the General Provident Fund (Defence Services) Rules, 1960, to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has not been paid, and direct that the said amount shall be distributed among the said persons in the manner shown against their names:—

Name and address of nominee	Relationship with subscriber	Age	*Amount* of share of accumulations to be paid to each	Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person/persons, if any, to whom the right of the nominee shall pass in the event of his predeceasing the subscriber

Dated this day of 19
at

Two witnesses to signature.

Signature of subscriber.

1
2

*NOTE.—This column should be filled in so as to cover the whole amount that may stand to the credit of the subscriber in the Fund at any time.

III. When the subscriber has no family and wishes to nominate one person.

I, having no family as defined in rule 2 of the General Provident Fund (Defence Services) Rules, 1960, hereby nominate the person mentioned below to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has not been paid:—

Name and address of nominee	Relationship with subscriber	Age	*Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person persons if any, to whom the right of nominee shall pass in the event of his predeceasing the subscriber

Dated this day of 19
at

Two witnesses to signature.

Signature of subscriber,

1
2

*NOTE:—Where a subscriber who has no family makes a nomination, he shall specify in this column that the nomination shall become invalid in the event of his subsequently acquiring a family.

IV. When the subscriber has no family and wishes to nominate more than one person.

I, having no family as defined in rule 2 of the General Provident Fund (Defence Services) Rules, 1960, hereby nominate the persons mentioned below to receive the amount that may stand to my credit in the Fund, in the event of my death before that amount has become payable, or having become payable has not been paid, and direct that the said amount shall be distributed among the said persons in the manner shown below against their names:—

Name and address of nominee	Relationship with subscriber	Age	*Amount or share of accumulations to be paid to each	**Contingencies on the happening of which the nomination shall become invalid	Name, address and relationship of the person/ persons, if any, to whom the right of the nominee shall pass in the event of his predeceasing the subscriber

Dated this day of 19
at

Two witnesses to signature.

Signature of subscriber,

1
2

*NOTE:—This column should be filled in so as to cover the whole amount that may stand to the credit of the subscriber in the Fund at any time.

**NOTE:—Where a subscriber who has no family makes a nomination, he shall specify in this column that the nomination shall become invalid in the event of his subsequently acquiring a family.

SECOND SCHEDULE [Rule 22(1) (a)]

Forms of Assignment

Form (1)

I, A.B. of hereby assign unto the President of India the within policy of assurance as security for payment of all sums which under rule 27 of the General Provident Fund (Defence Services) Rules, 1960, I may hereafter become liable to pay to that Fund.

I hereby certify that no prior assignment of the within policy exists.

Dated this day of 19 ..

Signature of Subscriber.

Station.

One witness to signature.

Form (2)

We, A.B. (the subscriber) of and C.D. (the joint assured) of in consideration of the President of India agreeing at our request to accept payments towards the within policy of assurance in substitution for the subscriptions payable by me the said A.B. to the General Provident Fund (or, as the case may be, to accept the withdrawal of the sum of Rs. from the sum to the credit of the said A.B. in the General Provident Fund for payment of the premium of the within policy of assurance) hereby jointly and severally assign unto the said President of India the within policy of assurance as security for payment of all sums which under rule 27 of the General Provident Fund (Defence Services) Rules, 1960, the said A.B. may hereafter become liable to pay to that Fund.

We hereby certify that no prior assignment of the within policy exists.

Dated this day of 19 ..

Station.

Signature of Subscriber.
and the Joint Assured.

One witness to signature.

Form (3)

I, C.D., wife of A.B., and the assignee of the within policy, having, at the request of A.B., the assured, agreed to release my interest in the policy in favour of A.B., in order that A.B., may assign the policy to the President of India, who has agreed to accept payments towards the within policy of Assurance in substitution for the subscriptions payable by A.B., to the General Provident Fund hereby at the request and by the direction of A.B., assign and I, the said A.B., assign and confirm unto the President of India the within policy of Assurance as security for payment of all sums which under rule 27 of the rules of the said Fund the said A.B., may hereafter become liable to pay to the Fund.

We hereby certify that no prior assignment of the within policy exists.

Dated this day of 19 ..

Signature of the assignee
and the subscriber.

One witness to signature.

Station.

Form (4)

Form of single tenant assignment to be used in cases where a subscriber to the Provident Fund who has effected an insurance policy under the rules of that Fund is admitted to the General Provident Fund (Defence Services).

I of hereby further assign unto the
(subscriber's name) (subscriber's address)
President of India the within policy of assurance as security for the payment of
all sums which under Rule 27 of the General Provident Fund (Defence Services)
Rules, 1960, the said may hereafter become liable to pay to
(subscriber's name)

the General Provident Fund (Defence Services).

I hereby certify that except an assignment to the President of India/Governor
of the State of as security for payment of all sums which the
said has become liable to pay under Rule
(subscriber's name)

of the Provident Fund Rules, no prior assignment of the
within policy exists.

Dated, this day of 19 ..

Station

One witness

Signature of the Subscriber.

Form (5)

Form of joint tenant Assignment to be used in cases where a subscriber to Provident Fund who has effected an insurance policy under the Rules of that Fund is admitted to the General Provident Fund (Defence Services).

We of and
(subscriber's name) (subscriber's address) (wife's name)

..... hereby jointly and severally further assign unto
the President of India the within policy of assurance as a security for the pay-
ment of all sums which under Rule 27 of General Provident Fund (Defence
Services) Rules, 1960, the said may hereafter become liable
(subscriber's name)

to pay to the General Provident Fund (Defence Services).

We hereby certify that except an assignment to the President of India/Gover-
nor of the State of as security for payment of all sums
which the said has become liable to pay under
(subscriber's name)

Rule of the Provident Funds Rules,
no prior assignment of the within policy exists.

Dated, this day of 19 ..

Station

One witness

Signature of the Subscriber
and the joint tenant.

NOTE.—The assignment may be executed on the policy itself either in the
subscriber's handwriting or in type, or alternatively a typed or printed slip con-
taining the assignment may be pasted on the blank space provided for the pur-
pose on the policy. A typed or printed endorsement must be duly signed and if
pasted on the policy it must be intialled across all four margins.

THIRD SCHEDULE (Rule 24)

Forms of Reassignment by the President of India.

Form I

All sums which have become payable by the above-named A B under rule 27 of the General Provident Fund (Defence Services) Rules, 1960, having been paid and/or all liability for payment by him of any such sums in the future having ceased the President of India doth hereby reassign the within policy of assurance to the said A B and C.D

A B

Dated this _____ day of _____ 19 _____
 Executed by _____ Account Officer of the Fund for and on behalf
 of the President of India in the presence of _____

X.Y.

(Signature of Account Officer)

Y.Z.

(One Witness who should add his
 designation and address)

Form II

The above named A B having died on the _____ day of _____ 19 _____
 the President of India doth hereby reassign the within policy of assurance to
 C.D

Dated this _____ day of _____ 19 _____
 Executed by _____ Account Officer of the Fund for and on behalf
 of the President of India in the presence of _____

X.Y.

(Signature of Account Officer)

Y.Z.

(One Witness who should add his
 designation and address)

FOURTH SCHEDULE (Rule 25)

Form of Reassignment by the President of India.

The President of India doth hereby reassign the within policy to the said
 A B

A B and C.D

Dated this _____ day of _____ 19 _____
 Executed by _____ Account Officer of the Fund for and on behalf
 of the President of India in the presence of _____

X.Y.

(Signature of Account Officer)

Y.Z.

(One Witness who should add his
 designation and address)

APPENDIX 'A'

List of authorities competent to grant advances

Pending publication of this Appendix, Appendix 'B' of the previous General Provident Fund (DS) Rules will remain in force

*Fill in particulars of persons legally entitled to receive the policy

†To be published later

MEMORANDUM EXPLANATORY OF THE GENERAL PROVIDENT FUND
(DEFENCE SERVICES) RULES, 1960.

(Against each rule, the corresponding rule in the rules previously in force has been given within brackets).

Rule 1 (Rule 1).—The rules come into force from the 1st April 1960 i.e. the date from which the compulsory provident fund scheme has been introduced.

Rule 2 (Rule 2).—(a) The definition of "Account Officer" has been changed as there is no Military Accounts Department now.

(b) Reference to sterling overseas pay has been omitted from the definition of "emoluments" as no one who is subject to these rules is in receipt of such pay.

Dearness pay has been included in the term "emoluments". This is necessary to cover cases of those Government servants who may not elect the revised scales of pay under the Central Civil Services (Revised Pay) Rules, 1960.

(c) The definition of "leave" has been enlarged to include leave under the Revised Leave Rules, 1933.

Rule 3 (Rule 3).—Rule 33 in the rules previously in force has been incorporated as sub-rule (2).

Rule 4 (Rule 4).—This rule has been modified as the result of the introduction of the compulsory provident fund scheme. Provision has also been made that apprentices and probationers shall be treated as temporary Government servants for the purpose of this rule.

Rules 5 & 6 in the rules previously in force have been deleted as they are now unnecessary.

Rule 5 (Rule 7).—A sentence has been added at the end of clause (a) of sub-rule (5). This is self-explanatory.

Rule 6 (Rule 8).—The words "as well as advances and withdrawals from the Fund" have been added at the end of this rule.

Rule 7 (Rule 9).—The subscription will not now be optional during Privilege/earned leave of less than one month or 30 days' duration, as the case may be.

Rule 8 (Rule 10).—Sub-rule (1) has been modified consequent on the decision taken on the recommendations of the Pay Commission.

In the case of Class IV employees, whose provident fund accounts are now being maintained by Heads of Offices, the minimum rate of subscription is Rs. 4/- a month for those drawing a pay of less than Rs. 75/- p.m. and Rs. 5/- a month for others.

Under sub-rule (4) a subscriber can now reduce the subscription also once in the course of a year.

Rule 9 (Rule 11).—No change.

Rule 10 (Rule 12).—In sub-rule (1) the provision relating to sterling overseas pay has been deleted.

Sub-rule (3) provides also for recovery of arrear subscriptions in cases of default.

Rule 11 (Rule 13).—A new proviso has been inserted below sub-rule (3) which is self-explanatory.

Rule 12 (Rule 14).—Main purposes for which advances may be granted have been specified in sub-rule (1). Advances to pay expenses in connection with illness or to meet the cost of higher education may include also where necessary, the travelling expenses.

For the purpose of this rule pay includes dearness pay, where admissible.

Rule 13 (Rule 15).—No change.

Rule 14 (Rule 27).—This rule incorporates the provisions in rule 27 of the rules previously in force confining it to advances. Rule 28 is confined to withholding or withdrawal of money from the Fund for purposes of financing insurance policies.

Rule 15 (New Rule).—This rule lays down the conditions of eligibility and also specifies the purposes for which final withdrawals are allowed. Provision has also

been made for final withdrawal to meet medical expenses, including where necessary, the travelling expenses.

Rule 16 (New Rule).—The amount of withdrawal shall not ordinarily exceed six months' pay or one-half of the amount standing to the credit of the subscriber in the Fund, whichever is less. The sanctioning authority can sanction an amount in excess of this limit but only up to three-fourths of the amount to the credit of the subscriber.

Sub-rule (2) contains penal provision to cover cases where a subscriber withdraws money from the Fund and does not use it for the purpose for which the withdrawal is made. All the other conditions prescribed from time to time have been done away with in order to simplify the rules.

For the purpose of this rule also pay has been taken to include dearness pay, where admissible.

Rules 17 to 28 (Rules 16 to 26).—These rules incorporate the provisions contained in rules 16 to 26 of the rules previously in force. The proviso below sub-rule (2) of rule 17 of those rules has been deleted consequent on the deletion of rule 6.

Rule 29 (Rule 27).—This corresponds to rule 27 of the rules previously in force but is confined to withholding or withdrawal of money from the Fund for financing insurance policies. A separate rule 14 has been included relating to advances.

Rule 30 (New Rule).—This is a new rule making the provisions contained in rules 16 to 28 applicable only to subscribers who were financing their insurance policies from the Fund before the publication of these rules.

This rule does not, however, permit those subscribers to finance any new policy from the Fund.

Rules 31 to 33 (Rules 28 to 30).—No change.

Rule 34 (Rule 31).—In sub-rule (1) provision has been made requiring the submission of a written application for withdrawal of the accumulations in the Fund when they become payable.

Rule 35 (Rule 32).—In clause (a), the provisions contained in clauses (a) and (c) of rule 32 of the rules previously in force have been incorporated.

Rule 36 (Rule 32A).—No change.

Rule 37 (New Rule).—This corresponds to rule 35 of the All India Services (Provident Fund) Rules, 1955.

Rules 38 and 39 (Rules 34 and 35).—No change.

Rule 40 (New Rule).—This relates to interpretation of rules.

Rule 41 (New Rule).—This is a repealing clause.

Schedules.—No change.

TAXATION

New Delhi, the 27th October 1961

S.R.O. 332.—In exercise of the powers conferred by section 60 of the Cantonments Act, 1924 (2 of 1924), the Cantonment Board, Jullundur, with the previous sanction of the Central Government, hereby makes the following amendments to the notification of the Government of India, in the Ministry of Defence No. S.R.O. 321, dated the 3rd November, 1959, namely:—

Amendments

In the said notification,—

(1) for clause 6 of the proviso, the following clause shall be substituted, namely:—

“6. For the purpose of computing the octroi payable on fraction of a hundred kilograms, the following schedule will be adopted;

Upto 5 kilograms shall be reckoned as 1/20 of 100 kilograms,

- Over 5 kilograms and upto 10 kilograms, shall be reckoned as 1/10 of 100 kilograms,
- Over 10 kilograms and upto 20 kilograms shall be reckoned as 1/5 of 100 kilograms,
- Over 20 kilograms and upto 25 kilograms shall be reckoned as 1/4 of 100 kilograms,
- Over 25 kilograms and upto 40 kilograms shall be reckoned as 2/5 of 100 kilograms,
- Over 40 kilograms and upto 50 kilograms shall be reckoned as 1/2 of 100 kilograms,
- Over 50 kilograms and upto 60 kilograms shall be reckoned as 3/5 of 100 kilograms,
- Over 60 kilograms and upto 75 kilograms shall be reckoned as 3/4 of 100 kilograms,
- Over 75 kilograms and upto 100 kilograms shall be reckoned as one quintal or one hundred kilograms."

(2) To the second proviso—

- (i) for item (6), the following shall be substituted, namely:—
“(6) Sweets and fruits upto 4 kilograms;”
- (ii) for item (9), the following shall be substituted, namely:—
“(9) goods on which octroi amounts to less than one naya paisa;”

(3) In the schedule—

- (a) in the second column throughout, in the heading, “Rate of Octroi”, for the words “By Maunds” the words and figures, “By 100 Kilograms” shall be substituted;
- (b) under the heading, “Class 1. Articles of Food and Drink”, in the second column,—
 - (i) against item 1(a), for the figures “0.02”, the figures “0.05” shall be substituted;
 - (ii) against item 1(b), for the figures “0.06”, the figures “0.015” shall be substituted;
 - (iii) against item 1(c), for the figures “0.20”, the figures, “0.55” shall be substituted;
 - (iv) against item 2(a), for the figures “0.20”, the figures “0.55” shall be substituted;
 - (v) against item 2(b), for the figures “0.06”, the figures, “0.15” shall be substituted;
 - (vi) against item 3(a), for the figures “0.02”, the figures “0.05” shall be substituted;
 - (vii) against item 3(b), for the figures “0.06”, the figures “0.15” shall be substituted;
 - (viii) against item 3(c), for the figures “0.03”, the figures “0.10” shall be substituted;
 - (ix) against item 4(a), for the figures “0.03”, the figures “0.10” shall be substituted;
 - (x) against item 4(b), for the figures “0.03”, the figures “0.10” shall be substituted;
 - (xi) against item 5(a), for the figures “0.38”, the figures “1.05” shall be substituted;
 - (xii) against item 5(b), for the figures “0.20”, the figures “0.55” shall be substituted;
 - (xiii) against item 6(a), for the figures “2.50”, the figures “6.90” shall be substituted;
 - (xiv) against item 7(i), for the figures “1.50”, the figures “4.15” shall be substituted;

- (xv) against item 7(ii), for the figures "2.00" the figures "5.50" shall be substituted;
- (xvi) against item 8(a)((ii), for the figures "0.25", the figures, "0.70" shall be substituted;
- (xvii) against item 8(b), for the figures "0.25", the figures "0.70" shall be substituted;
- (xviii) against item 8(c), for the figures "0.13", the figures "0.30" shall be substituted;
- (xix) against item 8(d), for the figures "1.50", the figures "4.15" shall be substituted;
- (xx) against item 8(f), for the figures "2.50", the figures "6.90" shall be substituted;
- (xxi) against item 8(g), for the figures "2.50", the figures "6.90" shall be substituted;
- (xxii) against item 8(h), for the figures "2.50", the figures "6.90" shall be substituted;
- (xxiii) against item 8(j), the figures "5.50" shall be inserted and the figures "0.06" in the third column shall be omitted;
- (xxiv) against item 8(k), for the figures "0.06" the figures, "0.15" shall be substituted;
- (xxv) against item 8(l), for the figures "0.06", the figures "0.15" shall be substituted;
- (xxvi) against item 8(n), for the figures "0.06", the figures "0.15" shall be substituted;
- (xxvii) against item 8(p), for the figures "0.13", the figures "0.35" shall be substituted;

(c) under the heading, "Class 2. Animals for slaughter", against item 2, in the fourth column, for the figures "1.50", the figures, "1.00" shall be substituted;

(d) under the headings, "Class 3. Articles used for fuel, lighting and washing", in the second column,—

- (i) against item, for the figures "1.38", the figures, "3.70" shall be substituted;
- (ii) against item 2, for the figures "0.11", the figures "0.30" shall be substituted;
- (iii) against item 3, for the figures "0.06", the figures "0.15" shall be substituted;
- (iv) against item 4, for the figures "0.30", the figures "0.10" shall be substituted;
- (v) against item 5, for the figures "0.13", the figures "0.35" shall be substituted;
- (vi) against item 10, for the figures "0.06", the figures "0.15" shall be substituted;
- (vii) against item 11, for the figures "0.13", the figures "0.35" shall be substituted;

(e) under the heading, "Class 7. Piece goods and other textile fabrics",—

- (i) against item 1(a), in the second column, for the figures "3.00", the figures "8.25" shall be substituted;
- (ii) against item 1(b), in the second column, for the figures "4.00", the figures "11.00" shall be substituted;
- (iii) against item 1(c), in the second column, for the figures "5.00", the figures "13.75" shall be substituted;
- (iv) against item 1(c) and the note thereunder, the following shall be inserted, namely:—

Articles	Rate of Octroi by maund
"(b) the old used clothing articles of Kabaries"	2.75"
(v) against item 2, for the figures "0.03", the figures "0.10" shall be substituted;	

(f) under the heading, "Class 9. Miscellaneous",—

(i) for the existing entry in the first column, the following shall be substituted, namely:—

"Stationery of all kinds including maps, calendars, table diaries of all kinds, printed paper bags, labels, and all printed material other than printed books and magazines which are not otherwise specified in this schedule".

(ii) in item 8(1), in the first column, the words "and component parts of Bicycle, tricycle and rickshaw" shall be omitted;

(iii) for sub-items (2), (3) and (4) of item 8, the following shall be substituted, namely:—

Articles	Rate of Octroi <i>ad valorem</i> .
"(2) Cycles tricycles, rickshaws and their accessories"	0.02".

[No. F. 53/4/6/L&C/60.]

New Delhi, the 28th October 1961

S.R.O. 333.—In exercise of the powers conferred by section 60 of the Cantonments Act, 1924 (2 of 1924), the Cantonment Board, Jullundur, with the previous sanction of the Central Government, hereby imposes a tax at the rate of two rupees per year or part of a year on every cycle or tricycle which is kept for use within the limits of Jullundur Cantonment, payable by the owner of such cycle or tricycle:

Provided that the tax shall not be levied in respect of—

- (i) Cycles or Tricycles belonging to the Central Government, or the State Government of Punjab or the Cantonment Board or the employees of the Cantonment Board.
- (ii) Cycles or tricycles used by persons merely passing through the Cantonment;
- (iii) Children's tricycles;
- (iv) Cycles or tricycles on which tax has been paid to any adjoining local body.

[No. F. 53/9/G/L&C/61/2765-G/D(C&L).]

PRITAM SINGH, Under Secy.

